MOODY'S INVESTORS SERVICE

CREDIT OPINION
27 May 2021

Update

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RATINGS

**Coca-Cola HBC AG**

| | |
|---|---|
| Domicile | Switzerland |
| Long Term Rating | Baa1 |
| Type | LT Issuer Rating - Dom Curr |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


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# Coca-Cola HBC AG

## Update following interim results

## Summary

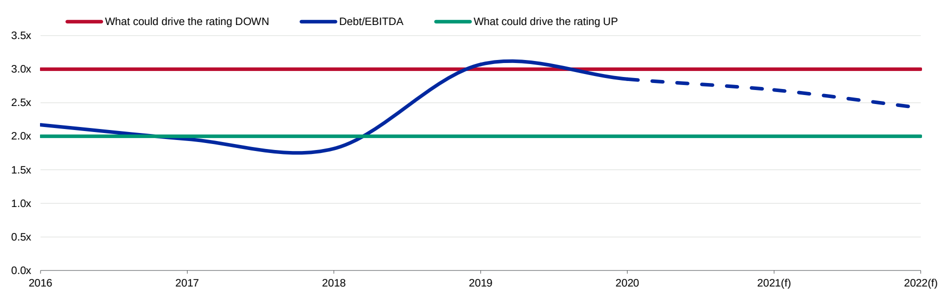

On 25 May, we assigned a Baa1 long-term issuer rating to Coca-Cola HBC AG (CCH), the parent company of Coca-Cola HBC Finance B.V. (Baa1 stable). The rating benefits from a one-notch rating uplift reflecting the implied support from The Coca-Cola Company (TCCC, A1 stable).

The stand-alone rating is supported by CCH's strong business profile as one of the largest bottlers in the Coca-Cola system; its steady profit growth and strong cash flow generation. The rating also reflects CCH's balanced financial policy with a medium-term net debt/comparable EBITDA target ratio of 1.5x-2.0x (1.5x at December 2020), which is equivalent to a Moody's adjusted debt/EBITDA ratio of around 2.5x-3.5x. The rating is constrained by its exposure to the low-growth environment in Europe, the potential performance volatility in emerging markets owing to foreign currency fluctuations; and potential for debt-financed M&A activity or one off significant shareholder distributions.


Exhibit 1

**We expect CCH's Moody's-adjusted leverage to decline over 2021-22**

**Moody's-adjusted gross leverage evolution**




*Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates*

## Credit strengths

» Strong brand portfolio

» Leading bottler of the brands of TCCC

» Steady profit growth and cash flow generation

» Balanced financial policy, with a medium-term net debt/comparable EBITDA target of 1.5x-2.0x

## Credit challenges

» Weakened credit metrics because of the strain of the coronavirus pandemic

» Exposure to the low-growth environment across Europe and demand volatility in emerging markets

» Potential for margin squeeze due to commodity inflation and forex volatility

» Potential for one-off significant shareholder distributions and sizeable M&A activity

## Rating outlook

The stable outlook reflects our expectation that the company's credit metrics will improve progressively leaving the company adequately positioned in the rating category.

## Factors that could lead to an upgrade

Upward pressure on the rating could materialise if the company's operating performance remains strong and credit metrics improve, such as Moody's-adjusted debt/EBITDA declining below 2.0x on a sustained basis, with management's commitment to keep leverage below that level.

## Factors that could lead to a downgrade

CCH's rating could be strained if operating performance deteriorates, with its EBITA margin declining below 6%; and retained cash flow/ net debt falling below 20%; or Moody's-adjusted debt/EBITDA rises above 3.0x on a sustained basis.

The rating could also be affected in the event of material market share erosion in CCH's key established markets, a multi-notch downgrade of TCCC's A1 (stable) long-term rating or a change in the existing relationship or bottling agreements with TCCC.

## Key indicators

Exhibit 2

**Coca-Cola HBC AG**

| EUR Millions | Dec-16 | Dec-17 | Dec-18 | Dec-19 | Dec-20 | 2021 (E) | 2022 (E) |
|---|---|---|---|---|---|---|---|
| Revenue | 6,219 | 6,522 | 6,657 | 7,026 | 6,132 | 6,573 | 6,976 |
| EBITA Margin % | 8.7% | 9.5% | 10.0% | 10.4% | 10.8% | 10.7% | 11.0% |
| RCF / Net Debt | 41.7% | 54.3% | 55.7% | -3.5% | 35.9% | 33.3% | 35.4% |
| EBIT / Interest Expense | 6.5x | 10.9x | 11.2x | 9.6x | 8.8x | 10.8x | 12.1x |
| Debt / EBITDA | 2.2x | 2.0x | 1.8x | 3.1x | 2.9x | 2.7x | 2.4x |

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are financial year-end unless indicated.
*Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates*

## Profile

Headquartered in Switzerland, Coca-Cola HBC AG (CCH) produces and distributes a wide range of nonalcoholic, ready-to-drink beverages, with a strong and diversified brand portfolio. The company's product portfolio includes leading brands of TCCC such as Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Sprite, Fanta, Bonaqua and Cappy, along with other juices, water, energy drinks, iced teas, coffee and other ready-to-drink beverages.

In 2020, the group produced 2,136 million unit cases (down 5.7% from 2019 or 4.6% like for like), which were distributed across 28 countries, mainly in Central and Eastern Europe, and generated €6.1 billion in revenue and €1.1 billion comparable adjusted EBITDA.

This performance positioned the group as one of the leading bottlers in TCCC's system, both by volume and net sales. The principal shareholders of CCH are Kar-Tess Holding, a Luxembourg-based company owned by the David-Leventis family, which holds around 23% of ordinary shares, and TCCC, which indirectly holds around 23%.

## Detailed credit considerations

### Implicit support as a key bottler for TCCC

CCH is a key Coke bottler, with sales of €6.1 billion and comparable operating profit of €672 million in 2020. CCH's ratings reflect the company's strategic importance to the overall Coke system, which, under our methodology, provides a one-notch rating uplift to the company's stand alone credit profile.

We do not expect any changes to this condition because TCCC is one of CCH's principal shareholders and there is a long history of collaboration between the two companies from strategic and operational standpoints, including joint acquisitions. While agreements with TCCC do not include a guarantee of Coca-Cola HBC's financial obligations, TCCC is likely to provide the necessary support, as it did in the past for other bottlers (for example, the control of profit and loss agreement with Coca-Cola Erfrischungsgetränke AG in 2003), to help maintain CCH's adequate liquidity.

In addition, CCH's extensive manufacturing and distribution network would make it expensive for TCCC to find an alternative way of producing and marketing its products in the geographies where the company operates. The distribution of TCCC's products is the key competitive advantage for CCH. The terms of the bottlers' agreements grant Coca-Cola HBC the right to produce and the exclusive right to sell and distribute the beverages of TCCC in each of the countries where the group operates. Consequently, Coca-Cola HBC is obliged to purchase all of the concentrate for TCCC's beverages from TCCC or its designee in the ordinary course of business. On 10 October 2012, TCCC agreed to extend the term of the bottlers' agreements for a further 10 years until end of 2023.

These agreements have been in place since the creation of the company in 2000 through a merger of different bottlers, although some of the agreements existed earlier and have always been renewed.

### Strong brand portfolio and leading market position in various geographies

CCH produces and distributes a wide range of sparkling beverages, which represented around 74% of its total revenue in 2020, and still beverages, including water (7%), juices (5%) and ready-to-drink tea, energy, snacks and other drinks (14%). Although the share of sparkling beverages decreased from 90% in 2001, most of the products distributed by CCH are brands owned by TCCC. The company's strategy is to grow its core sparkling category and gradually diversify its product portfolio, including water, iced teas, juices and other ready-to-drink beverages, such as energy drinks, which, according to Euromonitor, will continue to benefit from more favourable consumption patterns.

The most negative potential development on volumes reflects the introduction of sugar taxes; in January 2021, Poland introduced its sugar tax. CCH will try to mitigate the impact from the sugar tax through a combination of downsizing, reformulations, price increases and stronger product mix, with minimal strain on operating profit level. However, according to company guidance, it will lead to a decline of around 40-45 basis points in margins, reflecting higher revenue on the back of higher pricing to offset the tax.

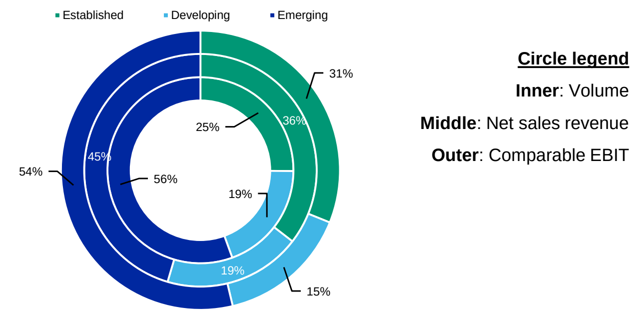
### Moderate geographical diversification and material exposure to volatile emerging markets

CCH's geographical footprint reflects the company's concentration in Central and Eastern Europe, Russia, and Nigeria. CCH derives almost half its total volume from emerging markets (see Exhibit 3). Its presence in emerging markets allows for higher-than-average growth rates in both volume and sales, driven by favourable demographics and increasing disposable income. However, exposure to these countries results in high volatility in the company's operating results and a less predictable regulatory environment.

Exhibit 3

**Coca-Cola HBC generates around half its total annual volume in emerging markets**

**2020 volume, revenue and profit split by geography**

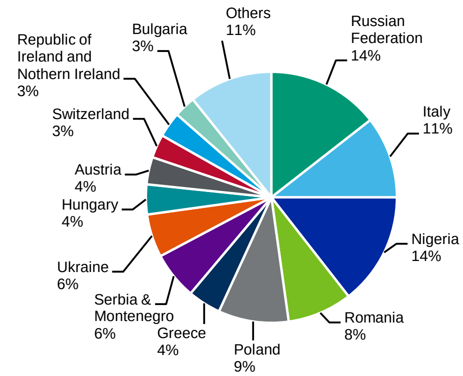



Established markets include Austria, Cyprus, Greece, Italy, the Republic of Ireland, Northern Ireland and Switzerland. Developing markets include the Baltics, Croatia, the Czech Republic, Hungary, Poland, Slovakia and Slovenia. Emerging markets include Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Moldova, Nigeria, Romania, Russia, Serbia and Montenegro, Republic of Kosovo, North Macedonia and Ukraine.
*Source: Company's annual report*

Exhibit 4

**Coca-Cola HBC has a diversified base in Europe, although it remains exposed to emerging markets**

**2020 volume split by geography**




*Source: Company's annual report*

However, CCH remains one of the most diversified bottlers of the Coca-Cola system and its network spans 28 countries, 16 of which are in the European Union. In comparison, Coca-Cola European Partners plc (Baa1 stable) serves 18 countries in Western Europe and APAC region and Coca-Cola FEMSA, S.A.B. de C.V. (A2 negative) serves 10 countries in emerging markets, mainly in Central and South America.

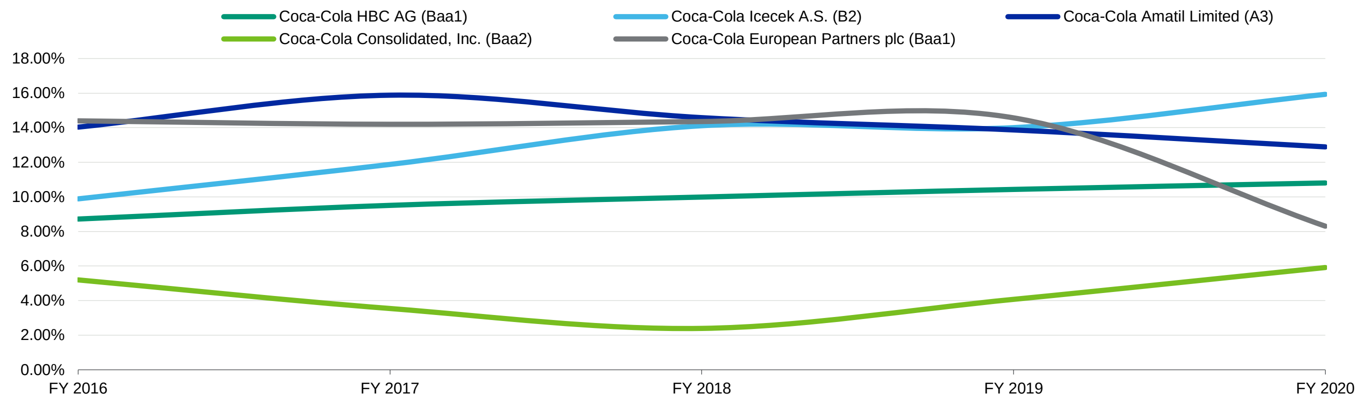
## Resilient margins and positive free cash flow (FCF) but Moody's-adjusted leverage weakened marginally because of the pandemic

In 2020, CCH reported 9.6% decrease in currency-neutral revenue and 11.4% decrease in comparable operating profit to €672 million, driven by a combination of a sharp decline in volumes in the away-from-home channel caused by the coronavirus pandemic, mitigated by a modest improvement in home consumption and cost savings of around €120 million. The profit decline was materially lower than our previous expectations and reflected a combination of better-than-expected revenue developments and resilient profit margins because of mitigating actions and improvements to the cost base, as well as more supportive market conditions in emerging markets where restrictions to contain the pandemic were less severe. As a result, the company's Moody's-adjusted EBITA margin improved to 10.8% as of the end of December 2020 from 10.4% in 2019. CCH reported stronger first quarter 2021 results with currency-neutral revenue up 2.7%, mainly driven by stronger growth in emerging markets.

The company has a strong record of delivering margin growth, with its Moody's-adjusted EBITA increasing 460 basis points from 2014, driven by improved operating leverage on the back of fixed costs supporting higher volumes, a better product mix and cost-efficiency initiatives.

Despite the improvement in margins, the company remains exposed to raw material and foreign-exchange volatility. CCH's margins are lower than those of most of its peers (see Exhibit 5) because of two main factors: CCH's operations are spread across several countries, some of which have difficult logistics, such as Russia and Nigeria, compared with other bottlers, resulting in lower economies of scale, and the per capita consumption of carbonated soft drinks in its key markets is lower than that of other bottlers.

Exhibit 5
**Coca-Cola HBC's profitability has improved in recent years**
**Moody's-adjusted EBITA margin evolution across peers**

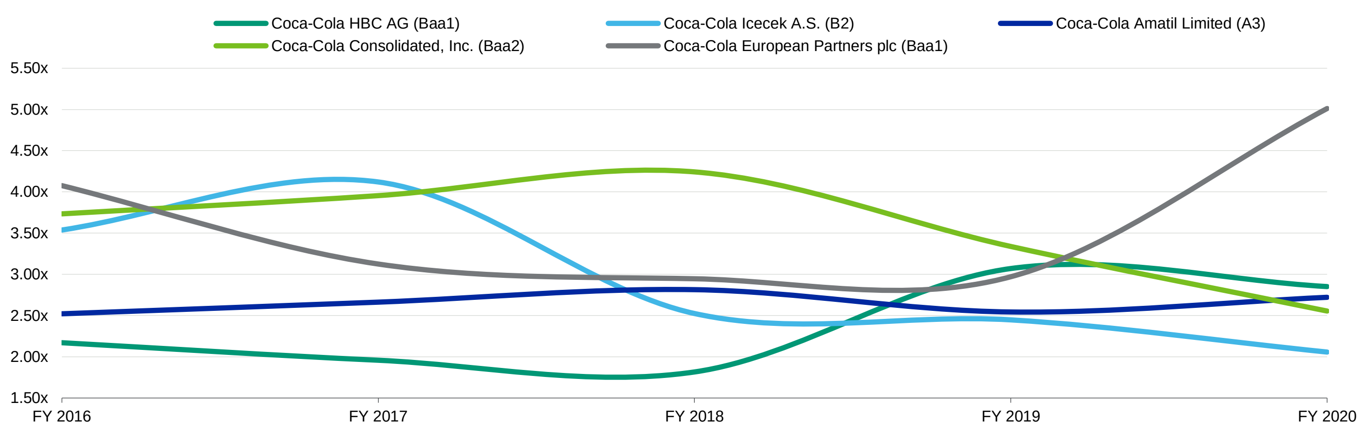



*Source: Moody's Financial Metrics™*

Moody's-adjusted operating cash flow increased slightly to €908 million in 2020 compared with €865 million in 2019 because of positive working capital inflow benefiting from the phasing of payments of certain customers and stable earnings. Moody's-adjusted capital spending decreased marginally to €478 million in 2020 from €519 million in 2019, while dividends fell to €226 million from €933 million in 2019 which included a special dividend of €726 million, and therefore Moody's-adjusted FCF increased to €204 million from negative €587 million in 2019.

Adjusted gross debt as of the end of December 2020 was €3.0 billion, with the main adjustment being €71 million defined benefit obligations. Because of a modest decline in Moody's-adjusted EBITDA, Moody's-adjusted gross debt to EBITDA deteriorated marginally to 2.9x in 2020 from 2.7x in 2019 (pro forma for the refinanced bond that matured in June 2020), leaving the company positioned at the low end of the rating category. Excluding the refinanced bond in 2019, Moody's adjusted gross debt to EBITDA improved from 3.1x in 2019 to 2.9x.

Exhibit 6
**Coca-Cola HBC's financial leverage is among the lowest in the peer group**
**Moody's-adjusted debt/EBITDA**




*Source: Moody's Financial Metrics™*

## Credit metrics will improve over the next 12-18 months

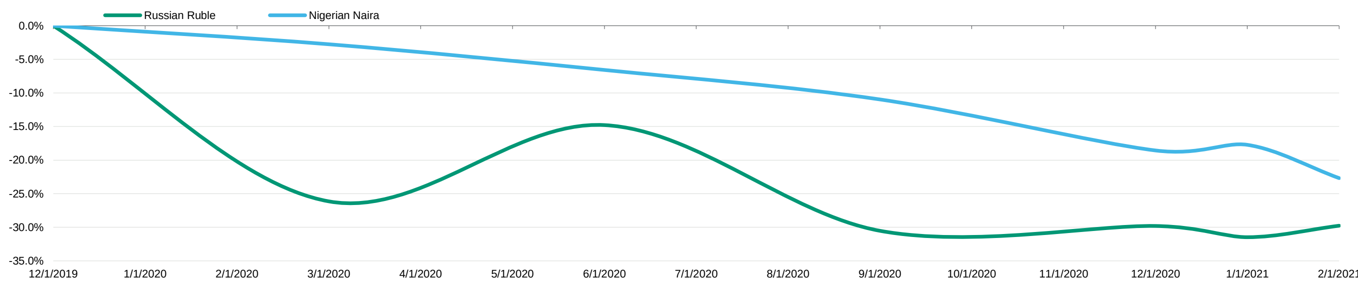
We expect CCH's revenue to recover significantly in 2021, driven by an improvement in volumes. The pace of recovery will also depend on the success of the efforts to contain the pandemic. More vaccinations to increasing parts of the population will lead to easing of restrictions on social activities in a number of CCH's core markets.

We expect mid-single digit input cost per unit case inflation, in line with company guidance and negative impact of foreign currency, in particular, in Russia and Nigeria, because of the depreciation versus the euro. However, we expect operating margins to remain flat or marginally improve given the company's continued focus on higher-margin premium products and ongoing focus on cost efficiency.

Exhibit 7

**Emerging market currencies have significantly depreciated against the Euro**

**Russian Ruble and Nigerian Naira value against euro value at 31 December 2019**




*Source: Factset*

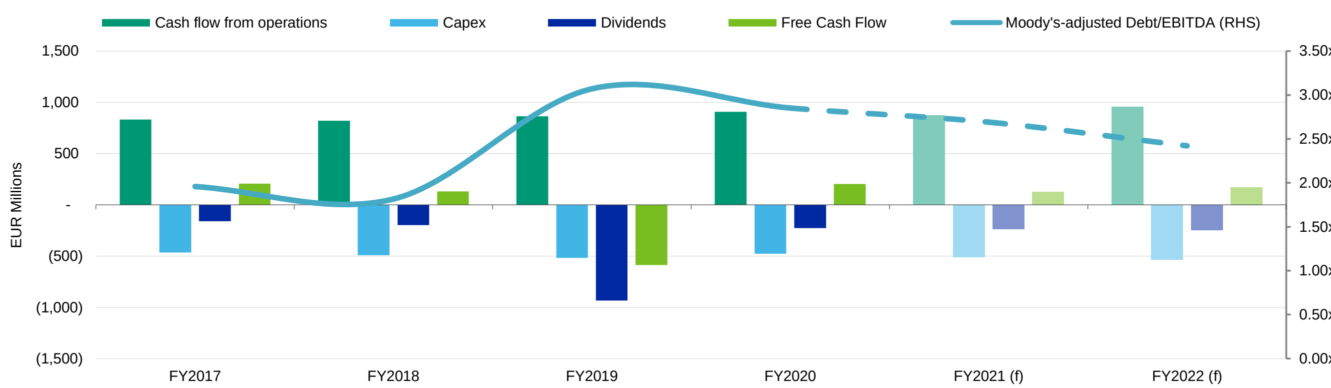
In 2022, we expect CCH's revenue to grow organically in the mid-single digits in percentage terms and expect an annual margin improvement of 30-40 basis points, driven by better operating leverage and a stronger product mix, in line with operating performance before the coronavirus outbreak.

Hence, we expect operating cash flow to remain steady at €900 million each year. Capital spending will be around €520 million each year, and we assume dividend payouts in the range of 35%-45% of comparable net profit. As a result, positive FCF, after capital spending and dividends but before acquisitions, will likely be €100 million-€150 million for each year, which could be used to fund bolt-on acquisitions.

Exhibit 8

**Leverage will decrease towards 2.5x by 2022**

**Evolution of credit metrics from 2017 to 2022**




*Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates*

Excluding additional special dividends and transformational M&A activity, we expect that credit metrics will improve over 2021-22, with Moody's-adjusted debt/EBITDA declining towards 2.3x by 2022.

## ESG considerations

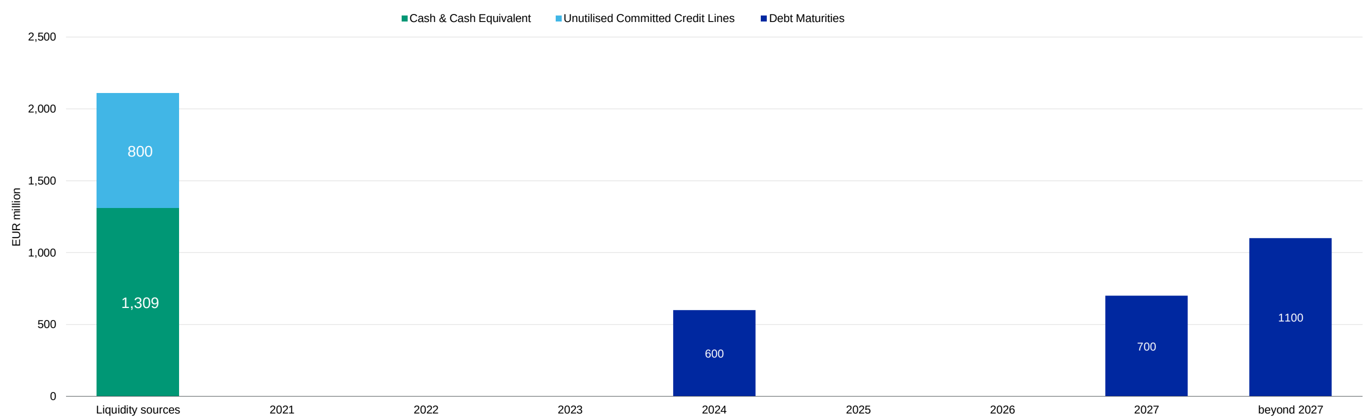
We have factored into our analysis of CCH the following social and governance considerations. As a soft beverage company, CCH is exposed to social risks, including shifts in consumer tastes that can accompany changing demographics, but also evolving regulatory and societal attitudes towards sugar-containing products, which can affect demand for its products. The company mitigates those risks through a strong portfolio of low- and no-sugar sparkling products, education, clear labelling and consistency of product.[1]

In terms of financial policy, CCH has a committed net leverage target between 1.5x and 2.0x (according to CCH definition of net debt to EBITDA, and 1.5x as of December 2020), which balances shareholder remuneration and creditor protection. This is equivalent to around 2.5x-3.5x Moody's-adjusted debt/EBITDA.

## Liquidity analysis

CCH's liquidity is strong, underpinned by its cash balance of €1.3 billion as of December 2020 and access to a €800 million undrawn syndicated credit facility with no financial covenants, maturing in April 2026. We expect positive FCF of €100 million-€150 million each year over 2021-22.

Exhibit 9
**Coca-Cola HBC's debt maturity profile**




It does not include long-term finance leases and other long-term debt.
*Source: Company reports and market announcements*

## Structural considerations

Almost the entire debt is sitting at Coca-Cola HBC Finance, the borrowing subsidiary fully owned by Coca-Cola HBC AG. The parent company is a holding company with no operating activities. Cash flow generations is at the operating subsidiaries level. The debt issued at Coca-Cola HBC Finance BV level is guaranteed by Coca-Cola HBC AG.

## Rating methodology and scorecard factors

The scorecard-indicated outcome is A3 (including the one-notch uplift provided by the implied support from TCCC), one notch above the current rating assigned. The final rating takes into account the risk for sizable M&A and/or one shareholder distributions which could impact leverage.

Exhibit 10

**Rating factors**

Coca-Cola HBC AG

| Soft Beverage Industry [1][2] | Current FY 12/31/2020 | | Moody's 12-18 Month Forward View As of 4/30/2021 [3] | |
|---|---|---|---|---|
| **Factor 1 : SCALE (16%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Revenue (USD Billion) | $7.0 | Baa | $7.5 - $8 | Baa |
| **Factor 2 : BUSINESS PROFILE (40%)** | | | | |
| a) Product Diversification | Baa | Baa | Baa | Baa |
| b) Geographic Characteristics | Baa | Baa | Baa | Baa |
| c) Market Position & Brand Strength | Baa | Baa | Baa | Baa |
| d) Innovation, Distribution & Infrastructure | Baa | Baa | Baa | Baa |
| e) Pricing Flexibility | A | A | A | A |
| **Factor 3 : FINANCIAL POLICY (16%)** | | | | |
| a) Financial Policy | Baa | Baa | Baa | Baa |
| **Factor 4 : PROFITABILITY (7%)** | | | | |
| a) EBITA Margin | 10.8% | Baa | 10.7% - 11% | Baa |
| **Factor 5 : LEVERAGE & COVERAGE (21%)** | | | | |
| a) RCF / Net Debt | 35.9% | A | 33.3% - 35.4% | Baa |
| b) EBIT / Interest Expense | 8.8x | A | 10.8x - 12.1x | Aa |
| c) Debt / EBITDA | 2.9x | Baa | 2.4x - 2.7x | Baa |
| **Rating:** | | | | |
| Scorecard-Indicated Outcome Before Bottler Support | | Baa1 | | Baa1 |
| Notch Lift | 1.0 | 1 | 1 | 1 |
| a) Scorecard-Indicated Outcome | | A3 | | A3 |
| b) Actual Rating Assigned | | | | Baa1 |

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 12/31/2020. [3] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.

*Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates*

# Appendix

Exhibit 11

### Peer snapshot

### Coca-Cola HBC AG

| | Coca-Cola HBC AG Baa1 Stable | | | Coca-Cola European Partners plc Baa1 Stable | | | Coca-Cola Icecek A.S. B2 Negative | | | Coca-Cola Amatil Limited A3 RUR | | | Coca-Cola Consolidated, Inc. Baa2 Stable | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in USD million) | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-19 | FYE Dec-20 | FYE Dec-20 PF | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 |
| Revenue | $7,861 | $7,866 | $6,998 | $13,453 | $12,105 | $15,400 | $2,265 | $2,116 | $2,069 | $3,590 | $3,555 | $3,315 | $4,625 | $4,827 | $5,007 |
| EBITDA | $1,206 | $1,240 | $1,199 | $2,617 | $1,765 | $2,530 | $452 | $416 | $464 | $747 | $713 | $641 | $293 | $368 | $471 |
| Total Debt | $2,121 | $3,818 | $3,666 | $7,798 | $9,480 | $16,971 | $1,006 | $972 | $893 | $1,981 | $1,834 | $1,951 | $1,244 | $1,228 | $1,205 |
| Cash & Cash Equivalents | $839 | $1,341 | $1,488 | $355 | $1,863 | n.a | $430 | $474 | $627 | $455 | $451 | $686 | $14 | $10 | $55 |
| EBITA margin % | 10.0% | 10.4% | 10.8% | 14.6% | 8.3% | n.a | 14.1% | 14.0% | 15.9% | 14.6% | 13.9% | 12.9% | 2.4% | 4.1% | 5.9% |
| EBIT / Interest Expense | 11.2x | 9.6x | 8.8x | 15.0x | 6.5x | n.a | 3.7x | 5.2x | 6.0x | 6.1x | 6.3x | 6.1x | 1.6x | 3.4x | 6.2x |
| RCF / Net Debt | 55.7% | -3.5% | 35.9% | 17.6% | 13.8% | n.a | 43.2% | 52.2% | 113.3% | 15.9% | 22.3% | 24.7% | 16.2% | 23.9% | 33.2% |
| Debt / EBITDA | 1.8x | 3.1x | 2.9x | 3.0x | 5.0x | 6.7x | 2.5x | 2.4x | 2.1x | 2.8x | 2.5x | 2.7x | 4.2x | 3.3x | 2.6x |
| FCF / Debt | 7.1% | -17.3% | 6.8% | 7.6% | 6.3% | n.a | 9.3% | 13.5% | 25.8% | -2.1% | 0.2% | 11.8% | 0.9% | 6.0% | 20.2% |

All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 Months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade. CCEP is pro forma for the Amatil acquisition.
*Source: Moody's Financial Metrics*

Exhibit 12

### CCH's Moody's-adjusted debt breakdown

| (in EUR Millions) | FYE Dec-17 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 |
|---|---|---|---|---|
| **As Reported Debt** | **1,626** | **1,604** | **3,325** | **2,926** |
| Pensions | 102 | 73 | 77 | 71 |
| Operating Leases | 183 | 178 | 0 | 0 |
| **Moody's-Adjusted Debt** | **1,911** | **1,855** | **3,402** | **2,996** |

All figures are calculated using Moody's estimates and standard adjustments.
*Source: Moody's Financial Metrics™*

Exhibit 13

### CCH's Moody's-adjusted EBITDA breakdown

| (in EUR Millions) | FYE Dec-17 | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 |
|---|---|---|---|---|
| **As Reported EBITDA** | **929** | **978** | **1,121** | **1,057** |
| Pensions | 2 | 7 | 3 | -6 |
| Operating Leases | 61 | 59 | 0 | 0 |
| Unusual | -4 | -10 | -3 | 0 |
| Non-Standard Adjustments | -12 | -13 | -13 | 0 |
| **Moody's-Adjusted EBITDA** | **976** | **1,022** | **1,108** | **1,051** |

All figures are calculated using Moody's estimates and standard adjustments.
*Source: Moody's Financial Metrics™*

Exhibit 14

**Historical and forecasts Moody's adjusted financials**

Coca-Cola HBC

| EUR Millions | Dec-16 | Dec-17 | Dec-18 | Dec-19 | Dec-20 | Dec-21 (f) | Dec-22 (f) |
|---|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | | |
| Net sales/Revenue | 6,219 | 6,522 | 6,657 | 7,026 | 6,132 | 6,573 | 6,976 |
| EBITDA | 925 | 976 | 1,022 | 1,108 | 1,051 | 1,087 | 1,167 |
| EBIT | 542 | 620 | 665 | 732 | 662 | 705 | 768 |
| Interest Expense | 83 | 57 | 60 | 76 | 76 | 66 | 64 |
| **BALANCE SHEET** | | | | | | | |
| Cash & Cash Equivalents | 563 | 694 | 734 | 1,195 | 1,216 | 1,021 | 882 |
| Total Liabilities | 3,957 | 3,806 | 3,921 | 5,517 | 4,942 | 4,872 | 4,772 |
| Total Debt (Gross) | 2,007 | 1,911 | 1,855 | 3,402 | 2,996 | 2,926 | 2,826 |
| **CASH FLOW** | | | | | | | |
| Cash Flow from Operating Activities | 780 | 833 | 820 | 865 | 908 | 872 | 957 |
| Capital Expenditures (CAPEX) | (425) | (467) | (490) | (519) | (478) | (508) | (536) |
| Dividends | (145) | (161) | (199) | (934) | (226) | (237) | (249) |
| Retained Cash Flow | 602 | 654 | 625 | (78) | 640 | 635 | 688 |
| RCF / Debt | 30.0% | 34.2% | 33.7% | -2.3% | 21.4% | 21.7% | 24.3% |
| Free Cash Flow (FCF) | 211 | 205 | 131 | (587) | 204 | 127 | 172 |
| FCF / Debt | 10.5% | 10.7% | 7.1% | -17.3% | 6.8% | 4.3% | 6.1% |
| **PROFITABILITY** | | | | | | | |
| % Change in Sales (YoY) | -2.0% | 4.9% | 2.1% | 5.5% | -12.7% | 7.2% | 6.1% |
| EBIT Margin % | 8.7% | 9.5% | 10.0% | 10.4% | 10.8% | 10.7% | 11.0% |
| EBITA Margin % | 8.7% | 9.5% | 10.0% | 10.4% | 10.8% | 10.7% | 11.0% |
| EBITDA Margin % | 14.9% | 15.0% | 15.3% | 15.8% | 17.1% | 16.5% | 16.7% |
| **INTEREST COVERAGE** | | | | | | | |
| EBIT / Interest Expense | 6.5x | 10.9x | 11.2x | 9.6x | 8.8x | 10.8x | 12.1x |
| EBITDA / Interest Expense | 11.2x | 17.1x | 17.2x | 14.5x | 13.9x | 16.6x | 18.3x |
| **LEVERAGE** | | | | | | | |
| Debt / EBITDA | 2.2x | 2.0x | 1.8x | 2.7x | 2.9x | 2.7x | 2.4x |
| Net Debt / EBITDA | 1.6x | 1.2x | 1.1x | 2.0x | 1.7x | 1.8x | 1.7x |

2019 Debt/EBITDA is pro-forma for the refinanced debt

*Source: Moody's Financial Metrics™*

## Ratings

Exhibit 15

| Category | Moody's Rating |
|---|---|
| **COCA-COLA HBC AG** | |
| Outlook | Stable |
| Issuer Rating -Dom Curr | Baa1 |
| **COCA-COLA HBC FINANCE B.V.** | |
| Outlook | Stable |
| Bkd Senior Unsecured -Dom Curr | Baa1 |
| Bkd Commercial Paper -Dom Curr | P-2 |

*Source: Moody's Investors Service*

## Endnotes

1 Please refer to the Environmental and Social risk heat maps

REPORT NUMBER 1281365

MOODY'S INVESTORS SERVICE